



# City of Sunnyvale

## Agenda Item-No Attachments (PDF)

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File #: 22-0786, Version: 1

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### REPORT TO COUNCIL

#### SUBJECT

**Proposed Project:** Related applications on a 1.25-acre site:

**DEVELOPMENT AGREEMENT (DA):** Introduction of an Ordinance Approving and Adopting of a DA between the City of Sunnyvale and Gary Thon-Lon Hon and Nichole Ying Lin Hon, as trustees of the Hon Family Trust and Edward H. Leone Jr. LLC

**SPECIAL DEVELOPMENT PERMIT (SDP):** to demolish the existing buildings and construct a new 125,128 square foot four (4) story office building with two (2) levels of underground parking

**Location:** 480 and 490 S. Mathilda Avenue and 355 W. Olive Avenue (APNs: 209-28-008 and 052)

**File #:** 2021-7281 (DA) and 2021-7280 (SDP)

**Zoning:** DSP Block 13

**Applicant:** Daniel Minkoff, Minkoff Group

**Owners:** Gary Thon-Lon Hon and Nichole Ying Lin Hon, as Trustees of the Hon Family Trust and Edward H. Leone Jr. LLC

**Environmental Review:** A Mitigated Negative Declaration has been prepared in compliance with California Environmental Quality Act (CEQA) provisions and City CEQA Guidelines.

**Project Planner:** Shaunn Mendrin, (408) 730-7431, smendrin@sunnyvale.ca.gov

#### SUMMARY OF COMMISSION ACTION

The Planning Commission considered this item on July 25, 2022, after being continued from the June 27 and July 11, 2022 Planning Commission Hearings.

There were 17 members of the public that spoke in opposition of the project. The main issues are contained in letters of opposition in Attachment 11. Community concerns dealt with compatibility of the proposed architecture, traffic on Olive Avenue, building height over 50 feet, and allowance of Community Benefits to enable the additional development and how the Community Benefit funds would be used.

There were ten members of the public that spoke in support of the proposed project and development agreement. The main reasons for support are contained in Attachment 12. Reasons for support include bicycle parking, showers for cyclists, architecture, and the existing quilting store managed traffic for numerous events throughout the year.

The Planning Commission voted 7-0 in accordance with the staff recommendation Alternative 2 to recommend to the City Council:

Introduction of an Ordinance Approving and Adopting a Development Agreement between the City of Sunnyvale Gary Thon-Lon Hon and Nichole Ying Lin Hon, as trustees of the Hon Family Trust and Edward H. Leone Jr. LLC and associated Findings (Attachments 2 and 3)

and to Make the required Findings to approve the CEQA determination and Adopt a Mitigated Negative Declaration and Mitigation, Monitoring and Reporting Program in Accordance with CEQA and approve the Special Development Permit based on the Recommended Findings in Attachment 4 and Modified Recommended Conditions of Approval (COAs) in Attachment 5.

The Planning Commission modifications to the COAs have been incorporated into Attachment 5, as shown in track changes. The Planning Commission added two conditions:

- addressing pedestrian safety at the parking garage exit on Olive Avenue (PS-4); and,
- to work with staff on incorporating additional trees on site where feasible (PS-5).

The Planning Commission also included staff recommended changes that required:

- participation in a Downtown Transportation Management Association (TMA) when formed (GC-16); and,
- to provide a final Transportation Demand Management (TDM) Program prior to occupancy of the building (PF-6).

Excerpt draft minutes of the Planning Commission hearing can be found in Attachment 13.

Public Comment letters are provided in Attachments 11 (opposition) and 12 (support).

## **PUBLIC CONTACT**

### **Environmental Review**

- Notice of Intent to Adopt a Mitigated Negative Declaration, June 3, 2022, through June 27, 2022.
- Planning Commission Public Hearing, June 27, 2022
  - Formally continued to hearing of July 11, 2022
  - Formally continued to hearing of July 25, 2022
- City Council Public Hearing, July 26, 2022
  - Formally continued to hearing of August 16, 2022

### **Notice of Public Hearing**

- Published in the Sunnyvale Sun newspaper
- Posted on the Project site
- Updated to reflect new meeting dates
- 2,796 notices mailed to property owners and residents within 1,000 feet of the project site, the Charles Street 100, Sunnyvale West and Heritage District Neighborhood Associations and the Downtown Sunnyvale Association.
  - Second notices sent to same mailing list advising of revised hearing dates.

### **Staff Report**

- Available at the Sunnyvale Public Library, Office of the City Clerk, and on the City's website.

### **Agenda**

- Posted on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Public Library, Senior Center, Community Center, in the Department of Public Safety Lobby and Office of the City Clerk, and on the City's website.

## **ALTERNATIVES**

1. Approve the Development Agreement and Special Development Permit
  - a) Make the findings required by Resolution No. 371-81 (Attachment 3 to the Report).

- b) Introduce an Ordinance Approving and Adopting a Development Agreement between the City of Sunnyvale and Gary Thon-Lon Hon and Nichole Ying Lin Hon, as trustees of the Hon Family Trust and the Edward H. Leone Jr. LLC (Attachment 2 to the Report).
  - c) Make the required Findings to approve the Mitigated Negative Declaration and Mitigation, Monitoring and Reporting Program in accordance with CEQA, and approve the Special Development Permit based on the Recommended Findings in Attachment 4 and Recommended Conditions of Approval in Attachment 5 as recommended by Planning Commission on July 25, 2022.
2. Approve the Development Agreement and the Special Development Permit with Modifications
- a) Make the findings required by Resolution No. 371-81 (Attachment 3 to the Report).
  - b) Introduce an Ordinance Approving and Adopting a Development Agreement between the City of Sunnyvale and Gary Thon-Lon Hon and Nichole Ying Lin Hon, as trustees of the Hon Family Trust and Edward H. Leone Jr. LLC with modifications (Attachment 2 to the Report).
  - c) Make the required Findings to approve the Mitigated Negative Declaration and Mitigation, Monitoring and Reporting Program in accordance with CEQA, and approve the Special Development Permit with modifications based on Recommended Findings in Attachment 4 and Recommended Conditions of Approval in Attachment 5 subject to modified Conditions of Approval.
3. Deny the Development Agreement and Special Development Permit
- a) Do not make the findings required by Resolution No. 371-81.
  - b) Do not recommend that City Council introduce the Ordinance and provide direction to the staff and developer regarding desired modifications.
  - c) Deny the Special Development Permit and provide direction to staff and applicant on where changes should be made.

### **STAFF RECOMMENDATION**

#### **Alternative 1: Approve the Development Agreement and Special Development Permit**

- a) Make the findings required by Resolution No. 371-81 (Attachment 3 to the Report).
- b) Introduce an Ordinance Approving and Adopting a Development Agreement between the City of Sunnyvale and Gary Thon-Lon Hon and Nichole Ying Lin Hon, as trustees of the Hon Family Trust and Edward H. Leone Jr. LLC (Attachment 2 to the Report).
- c) Make the required Findings to adopt the Mitigated Negative Declaration and Mitigation, Monitoring and Reporting Program in accordance with CEQA, and approve the Special Development Permit based on the Recommended Findings in Attachment 4 and Recommended Conditions of Approval in Attachment 5 as recommended by the Planning Commission on July 25, 2022.

Staff recommends approval of the Development Agreement and Special Development Permit, in accordance with the Planning Commission recommendation. The project would support community expectations for greenhouse gas reduction and an enhanced pedestrian environment in the downtown area. The site is appropriate for additional office development due to proximity to the Caltrain station, VTA bus transfer area and proximity to Mathilda Avenue. Employees at the site would also help support downtown businesses. The project design, while modern, would provide an anchor on the northeast corner of West Olive and South Mathilda avenues and would complement the architecture of the new City Hall. In addition, the building design has been adjusted to address privacy concerns of the adjacent neighborhood. While traffic was a noted concern from the

neighborhood, the project was found to be consistent with the City's Vehicle Miles Traveled (VMT) policies and did not have a net peak hour trip increase over 100 trips in the AM or PM hours. Additionally, the removal of excessive driveways and site improvements would enhance the pedestrian experience and safety on West Olive and South Mathilda avenues. Lastly, the Planning Commission added additional conditions to ensure that automobiles entering or exiting the site will be managed in a safe manner with pedestrians as the focus of safety.

Prepared by: Shaunn Mendrin, Planning Officer

Reviewed by: Trudi Ryan, Director, Community Development

Reviewed by: Connie Verceles, Deputy City Manager (Economic Development)

Reviewed by: Jennifer Ng, Assistant Director, Public Works/City Engineer

Reviewed by: Chip Taylor, Director, Public Works

Reviewed by: Teri Silva, Assistant City Manager

Approved by: Kent Steffens, City Manager

### **ATTACHMENTS**

1. Report to Planning Commission [22-0614, July 25, 2022] (*without attachments*)
2. Draft Ordinance and Development Agreement
3. Draft Planning Commission Findings for the Development Agreement
4. Recommended SDP Findings
5. Recommended SDP Conditions of Approval (*updated*)
6. Site and Vicinity Map
7. Project Data Table
8. Proposed Site and Architectural Plans
9. Project Description
10. Mitigated Negative Declaration (MND) and Appendices
11. Letters in Opposition
12. Letters in Support

### **Additional Attachments for Report to Council**

13. Excerpt of Draft Minutes of the Planning Commission Meeting of July 25, 2022